

CalPERS Ethics Helpline

SUMMARY OF CLOSED SUBSTANTIATED CASES
9/13/2010 – 3/15/2011

Abuse of Authority

Case ID Number: 2010-007

Allegations of Abuse of Authority - CalPERS Project Managers accused of hostile work environment, abusive management styles, and retaliation. Three consultants have been removed from the CalPERS Project. All Division Management have received additional management training by their Assistant Executive Officer.

Closed: Counseled (verbal/written warning)

Abuse of Authority

Case ID Number: 2010-018

CalPERS Project Managers - circumstances as stated for 2010-007.

Closed: Counseled (verbal/written warning)

Retirement Fraud or Abuse- Legal

Case ID Number: 2010-008

City Council Member, convicted of felony bribery charges and incarcerated. Restitution has been demanded for back payments and benefits were adjusted, resulting in forfeiture. Overpayments were refunded, and procedures were changed/reinforced. CalPERS is establishing procedures to avoid risk of convicted members collecting benefits.

Closed: Forfeiture of Member Benefits

Legal Issues

Case ID Number: 2010-009

Allegation of misuse of State property – Board Member inappropriately used CalPERS headquarters' address on campaign material.

Closed: Counseled (verbal/written warning)

Data Privacy

Case ID Number: 2010-013

Reporter observed similar name on CalPERS website, and reported it as possible identity fraud and data privacy issue. CalPERS removed individual from website. Individual on website was a valid loan officer with another bank. No data was illegally divulged, as the individual was a licensed loan officer. The Investment Office is implementing new procedures to review status of loan officers to avoid future issues.

Closed: Procedures Changed/Reinforced

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Business Relationships with Clients

Case ID Number: 2010-014

Conflict of Interest: Reporter alleged that named Advisory Board member may have economic interest in transactions on which the individual is advising. The Office of Audit Services (OFAS) expanded its agreed-upon procedures to include a review of Advisory and Investment Committee roles and responsibilities to ensure related party transactions are disclosed and transparent to all investors in each partnership fund. The OFAS also included the relevant organization for review in the next audit cycle.

Closed: Procedures Changed/Reinforced

Retirement Fraud or Abuse- Unreported Death

Case ID Number: 2010-016

Unreported Death of CalPERS member. Individual reported member death; alleged that relatives engaged in financial misconduct and inappropriate collection and expenditure of benefits. Record of death was completed by CalPERS. CalPERS sent letter to the member's bank requesting back payments to the date of death.

Closed: Return of Overpayment

Accounting and Auditing Matters

Case ID Number 2010-022

Reporter questions eight economically dependent children for one member. Member requested removal of six economically dependent children.

Closed: CalPERS Member Benefits Adjusted

Information Security and Records

Case ID Number: 2010-029

Spouse of CalPERS retiree alleged her HIPAA rights violated by pharmacy. Health Plan reported a privacy violation involving one CalPERS member. Health Plan stated this was due to a manual data entry error and the pharmacy technicians involved have been identified and coached. Vendor will also review the proper procedures and policies in place with staff that create orders for Health Plan members, as well as those who send letters. Vendor will send a letter to the member in response to the Personal Health Information disclosure.

Closed: Procedures Changed/Reinforced

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Sexual Harassment**Case ID Number: 2010-036**

Graphic magazine received in mail, addressed to CalPERS employee. Employee was counseled by Management. In addition, Management sent an email to all staff, directing them to refrain from providing office address for personal mail or marketing materials.

Closed: Counseled (verbal/written warning)

Compliance with Laws and Regulations**Case ID Number: 2010-048**

Member notified not entitled to employer paid CalPERS Insurance and is responsible for paying monthly premium. Member no longer wished to be enrolled in health and since the member had not received any services or had any prescriptions filled, health coverage was retroactively terminated. As a result, the member did not owe the health plan any money.

Closed: CalPERS Member Benefits Adjusted

Data Privacy**Case ID Number: 2011-077**

Member was a victim of identity theft and requested CalPERS cancel the member's direct deposit and send checks directly to the home address. Member's request was processed and warrant distribution changed.

Closed: Procedures Changed/Reinforced

Human Resources**Case ID Number: 2011-081**

Reporter stated certain demographic information about employees related to Succession Planning to be distributed outside of Human Resources is confidential and not necessary to proper succession planning. Due to concern over the categorization of employee age, the CalPERS succession planning model was revised to report only years of state service. This number will be used as a proxy for employee age to indicate the potential risk for retirement.

Closed: Procedures Changed/Reinforced
